Sears Roebuck, and of course, W.R. Grace & Co.[16] And in its dedicated commitment to the Grace Commission agenda, Citizens Against Government Waste remains nothing more than an effort to deregulate government for the benefit of corporate America. As Public Citizen sees it,

> If anything, Citizens Against [Government] Waste is even more disingenuous than the Commission was. It portrays itself as a bipartisan, independent, grass-roots effort, when, in reality, it is merely the alter ego of the Commission -- established to manipulate the public into unwilling support for the Commission's slanted agenda for America.[17]

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Citizens Against Government Waste[18]
Contributors as of 1990

The Acushnet Foundation
American Brands, Inc.
AT&T, Inc.
The Andreas Foundation
The Bradley Foundation
Chase Manhattan Corporation, Inc.
ChemEd Corporation
The Dillon Fund
EXXON Corporation
Ernst & Elfriede Frank Foundation
Figgie International, Inc.
General Signal Corporation
The Gerstacker Foundation
Goodyear Tire & Rubber Corporation
Guardian Life Foundation
The Grover Herman Foundation
IBM Corporation
Ingersoll-Rand Corporation
The Kirby Foundation
Eastman Kodak Corporation
Manufacturers Hanover Corporation
Mercantile Stores Corporation
Metropolitan life Foundation
Milliken Foundation
Mobil Oil Corporation
Prince Charitable Trusts
Price Waterhouse
The Prosser Foundation
The Prudential Insurance Company Foundation
Reader's Digest
Sears Roebuck Corporation
The Strake Foundation
Stuart Foundations, Inc.
Swig, Weiler & Arnow, Inc.
Wachovia Bank & Trust
The Walton Foundation
W.R. Grace & Co.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. *Deceiving the Public: The Story Behind J. Peter Grace and his Campaign*, by Peter Ajemian and Joan Claybrook. Washington, D.C.: Public Citizen, August, 1985, p. 83.

2. J. Peter Grace, in a July 7 memo to members of the Grace Commission, quoted in *Deceiving the Public*, by Ajemian and Claybrook.

3. Citizens Against Government Waste, *Annual Report 1990*, p. 9.

4. "Red Ink Nightmare: Uncle Sam's Wasteful Ways and the $3 Trillion National Debt," a half hour documentary produced by Citizens Against Government Waste.

5. "Message from the Publisher." *Government Waste Watch: The Newsletter of Citizens Against Government Waste*, Winter, 1991, p. 2.

6. "Red Ink Nightmare," Citizens Against Government Waste.

7. Ibid.

8. *Deceiving the Public*, by Ajemian and Claybrook, p. 1.

9. Ibid., p. 2.

10. Ibid.

11. Ibid.

12. "Red Ink Nightmare," Citizens Against Government Waste.

13. "Comparison of Retirement Benefits for W.R. Grace and Company and Civil Service Employees," General Accounting Office, GAO/OCG- 84-1, June 12, 1984, p. 10.

14. *Deceiving the Public*, by Ajemian and Claybrook, p. 52.

15. Ibid., p. 3.

16. CAGW *Annual Report 1990*, p. 20.

17. *Deceiving the Public*, by Ajemian and Claybrook, p. 39.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

18. CAGW *Annual Report 1990*, p. 20.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

CITIZENS FOR SENSIBLE CONTROL OF ACID RAIN

"How many ordinary citizen-members did the 'citizens' organization have, and how often did they meet? Precisely none, and precisely never."

-- John R. Luoma, in an *Audubon* report on Citizens for Sensible Control of Acid Rain[1]

In 1986, a bipartisan bill to amend the Clean Air Act was introduced in the House of Representatives calling for significant reductions in sulfur dioxide and nitrogen oxide emissions -- the pollutants responsible for the phenomenon known as acid rain. Just when it looked like the compromise bill, co-authored by 174 representatives across the political spectrum, was going to pass, a massive influx of mailgrams, postcards, and telephone calls from worried constituents convinced enough Congressmen to vote the bill down. These constituents cited immensely exaggerated figures provided by a group called Citizens for Sensible Control of Acid Rain (CSCAR). The bill would cost taxpayers over $110 billion, the letters said. Electric bills would increase by 30 percent. The clean air law then on the books was reducing acid rain sufficiently on its own, so there was no reason to amend it.[2]

According to the US Public Interest Research Group (US PIRG), CSCAR provided at least one million such letters to citizens, urging them to send the letters to their Congressmen.[3] Some Representatives received as many as 2,000 letters and telephone calls. The campaign to defeat the bill was dubbed by Ron Jones, then legal assistant to Rep. James Florio of New Jersey, as "massive disinformation."[4]

The Congressional cost estimate of the bill was actually $26 to $50 billion, but this cost would have been spread out over a period of twenty years. The Office of Technology Assessment put the average increase in electric rates at two or three percent, with a cap for residential rates at ten percent. Furthermore, studies showed that sulfur dioxide emissions had been increasing, not decreasing, under the original Clean Air Act, which is what caused the need for an amendment in the first place.[5]

Since its creation in 1983, CSCAR has collected over $7.5 million to defeat acid rain legislation,[6] and its $3 million budget in 1986 made it the biggest lobbying group in Washington, D.C.[7] CSCAR receives its money from at least ten electric utilities and coal companies including the American Electric Power Service Corporation ($2.6 million), Southern Company Services ($2.5 million), the Union Electric Company ($540,000), and Consolidation Coal Company ($325,000).[8]

"It is no coincidence that of the ten dirtiest power plants in the country, five are operated by major CSCAR contributors," said Zoe Schneider of US PIRG at the time of the 1986 effort. "Each of these plants emits more than 250,000 tons of sulfur dioxide into the air each year, causing environmental damage and mounting public health costs. . .We hope that as CSCAR's letters hit Capitol Hill, Members of Congress will reject the lobby's misleading designation as a citizens group and its self-interested message, and pass Clean Air legislation that is truly protective of public health and environmental resources."[9]

The public health costs of this pollution have been estimated by the American Lung Association to be as high as $40 billion per year "as a result of exposure to just a few air pollutants," according to Alexandra Allen in a 1988 *New York Times* editorial.[10] The

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Congressional Research Service reports that air pollution damage to buildings and other property, crops, and visibility exceeds $5 billion annually. Of course, these figures do not even include damage to lakes, streams, and forests -- perhaps the primary reason for a stronger Clean Air Act. Allen also chastised the group for its "misguided tactics and shortsighted message."[11]

"Citizens for Sensible Control of Acid Rain is a completely false title," Schneider recently commented. "In fact, CSCAR is entirely funded by major utilities and utility consortiums as well as mining companies, so it's not only deceptive, but almost laughably so."[12]

Because CSCAR has been funded largely by electric utilities, ordinary utility-users are, directly or indirectly, contributing to CSCAR's lobbying efforts to defeat acid rain legislation. President of the National Audubon Society Peter Berle finds this unfair. "Our society is not organized in a way to permit the utility-user to select an alternative electric company," he wrote in 1987. "Thus the power monopolies include us all, whether we like it or not, in their drive to keep dumping acid-rain-causing pollutants into the atmosphere."[13]

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Citizens for Sensible Control of Acid Rain[14]
Contributors from September 1983-December 1989 -- partial list

American Electric Power Service Corp.
Consolidation Coal Company
Indianapolis Power and Light
Jersey Central Power and Light
Metropolitan Edison Co.
Ohio Edison Company
Pennsylvania Electric Company
Peobody Holding Company, Inc.
Southern Company Services, Inc.
Union Electric Company

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. "How a Disinformation Campaign Quashed an Acid Rain Bill," by John Luoma. *Audubon*, March 1987, p. 48.

2. Ibid.

3. US Public Interest Research Group press release, August 28, 1988, p. 2.

4. "How a Disinformation Campaign Quashed an Acid Rain Bill," by Luoma, *Audubon*.

5. Ibid.

6. US PIRG press release, February 6, 1990, p. 1.

7. "Blow Away the Foul Air Lobby," by Alexandra Allen. *New York Times*, June 11, 1988.

8. US PIRG Press Release.

9. Ibid.

10. "Blow Away the Foul Air Lobby," by Allen, *New York Times*.

11. US PIRG press release, August 28, 1988.

12. Telephone interview with Zoe Schneider, July, 1991.

13. "Turning Off the Maples," by Peter Berle. *Audubon*, September 1987. p. 6.

14. US PIRG press release.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

CITIZENS FOR A SOUND ECONOMY

"It sounds to me that what they've done here is they take money from all kinds of corporations, and then when they take a position on an issue, they can say in several cases we only get a few percent from the interested party. But the work that they do favors the Bell companies and is actually financed by those companies."

-- Gene Kimmelman, legislative director of the Consumer Federation of America, on Citizens for a Sound Economy[1]

Until very recently, the Bell regional telephone companies were restricted by federal law from manufacturing and marketing telecommunications equipment and offering information services. On July 25, 1991, however, U.S. District Court Judge Harold Greene lifted these restrictions in a controversial decision. Now, the seven Bell companies will be permitted to make communications equipment and offer many different types information services. The Bell companies are promising incredible technological breakthroughs with their new power, such as electronic yellow pages and increased access to services for the disabled. Because of this tremendous new power, though, many people feel that Judge Greene's decision has effectively created what may become the most influential monopoly in history, giving these corporations "unsurpassed power in shaping public opinion."[2]

The Bell companies, of course, hailed the decision. The press also reported comments of a "consumer group" called Citizens for a Sound Economy whose opinion surprisingly mirrored that of the Bell companies. Most other consumer groups had been greatly opposed to the Greene decision.

"Some consumer groups," wrote the *Washington Post*, "saw the ruling as the first step toward putting advanced communications technology in the hands of ordinary people. 'At long last, ordinary consumers. . .will have a better chance to participate in the information age,' said Phillip Mink, general counsel for Citizens for a Sound Economy."[3]

The *Washington Post* did not describe Citizens for a Sound Economy (CSE) as anything but a "consumer group." In fact, according to Gene Kimmelman, legislative director of the Consumer Federation of America, "CSE is definitely a corporate front group. They take the administration's line and very much the Bell telephone companies' line on just about everything."[4]

Citizens for a Sound Economy describes itself as a "broad-scale membership organization and one of the most influential voices in Washington -- not to represent special interests but to represent citizens' interests... When CSE wins, the whole country wins."[5]

However, Kimmelman and others feel that CSE is able to push forth its corporate agenda by earmarking donations from companies for CSE projects that benefit those companies. For example, the money they got from the Bell companies was used specifically to fight for the deregulation of the "Baby Bells," Kimmelman charged. [6]

As far as the actual deregulation is concerned, most consumer groups (unlike CSE) feel that the July 25 decision is a blow to consumer rights. According to Jeff Chester, a media and public affairs consultant, "What we're doing by allowing the telephone companies to enter the television and information business is allowing several giant powerful corporations

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to control all of the information in news that we get in our country. There should be diverse sources of information and news. There shouldn't be one company or any one industry in charge of what people hear, see and read.

"[The Bell companies] will definitely try to block out other competitors in the information marketplace. These organizations are doing a real disservice to American citizens and the future of our democracy. And CSE, by prematurely endorsing the entry of the telephone companies into this business is really doing harm, not good."[7]

Citizens for a Sound Economy has not limited itself to helping its Bell supporters fight for deregulation. The group and its subsidiaries -- the CSE Foundation, the CSE Legal Alliance, Citizens For the Environment, and the Tax Foundation -- have fought on numerous controversial issues and almost always take the position of industry. For example, the CSE network has fought to defeat the Clean Air Act of 1990; California's Proposition 128 ("Big Green"), which would have created a regulatory office to enforce numerous environmental measures; and fuel efficiency standards for automobiles.[8]

CSE gets its financial support and control from various major corporations and foundations including, it boasts, "18 *Fortune* 100 companies."[9] In fact, in 1990 the CSE Foundation (which is the "tax-exempt branch" of the network) received 59 percent of its revenue from corporate foundations, 28 percent from corporations, and 7 percent from special interest groups. Only 6 percent of CSE Foundation's funding came from "general membership." In all, 72 corporations contributed in 1990, including the seven regional Bell companies, Chevron, Mobil, GE, Philip Morris, Union Carbide, Xerox, and Coors. The entire network's revenues in 1990 were $8.2 million.[10]

Control in the organization is almost exclusively corporate as well. CSE's board of directors and Washington advisory board consist of top executives from Koch Industries, the Georgia-Pacific Corporation, the Xerox Corporation, the Sun Oil Company, GE, Philip Morris, Aetna, Sears, and the National Association of Wholesaler-Distributors.[11]

Last year, CSE publications and newspaper editorials included "Airline Competition: A Consumer Prospective", "Railroad Regulation and Consumer Interests", "Price Fixing Bill Leaves Consumers in a Fix", and "The Clean Air Act's Hidden Price Tag." As most of these titles indicate, CSE consistently "speaks out" in the name of America's consumers. Yet its funding and control elements indicate it is nothing more than a front for several of America's largest corporations who are using CSE's "citizen and consumer voice" to further their own agendas.

ALLIANCE FOR PUBLIC TECHNOLOGY

Citizens for a Sound Economy is not the only group using Bell money to fight for telephone deregulation. The Alliance for Public Technology (APT), headed by Mary Gardner Jones, has used similar tactics, claiming that APT's board is actually made up of "consumer types" looking out for the public's best interests.

"The money follows the ideas," claims Jones, who admitted to significant corporate financing in a recent interview. "We started to push for modernization of the networks and

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greater competition. The RBOCs [regional Bell operating companies] said, 'Hey, that's pretty good. We're with you.'"

In fact, APT has received as much as $8500 from each of "ten or twelve" corporations and trade associations, according to Jones, including Bell Atlantic, BellSouth, Pacific Bell, NYNEX, Apple Computer, GTE, Ameritech, the Video Technology Association, and the Direct Selling Association. Of the group's 130 "members," only one-third are actually individuals, while the remaining two thirds are organizations. Individuals pay $35 per year for membership, while organizations pay $75. Overall funding for the group is approximately 90 percent corporate.

Despite these figures, the Alliance continues to claim that consumers will greatly benefit from such "breakthroughs" as the deregulation of the Bell companies. In doing so, the group deceives the media, legislators, and the American public into thinking that Judge Greene's decision will primarily benefit all American consumers, not its baby Bell sponsors. As for the new services promised by these telephone companies under the new ruling, media consultant Jeff Chester remains unconvinced. "It's purely hype," he says. "If you look at the history of electronic media in this country -- radio, TV, cable -- people in control of these new technologies said 'Don't worry. We'll take care of your education needs, we'll take care of the needs of our democracy.' But once they got in, once there were no regulations set, they simply ignored their promises and went out to make as much money as possible without giving very much back to the public interest. . .You can't trust them. This is outrageous. Absolutely outrageous."[12]

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Citizens for a Sound Economy[13]
Contributors as of July, 1991

Adolph Coors Company
Alcan Aluminum Corporation
Allied Signal
Americbanc
American Cyanamid Company
American Honda Motor Co., Inc.
American International Hospital
American Petroleum Institute
Ameritech
Amoco
Armstrong World Industries
Association of American Railroads
Association of International Automobile Manufacturers
Bell Atlantic
BellSouth Corp.
BMW
Boeing Company
BP America
Burlington Northern Railroad
Campbell Soup Company
Chevron
Chicago Mercantile Exchange
Circuit City
Citibank
Clean Air Working Group
Coldwell Banker
Conrail
Consolidated Electrical Distributors, Inc.
Continental Airlines
Corning Glass
Crestar
CSX Corporation
Dominion Resources
Dow Corning Corp.
Ethyl Corporation
General Electric
General Motors
Georgia-Pacific Corporation
Honda North America, Inc.
Hyundai Motor America
ICI Americas Inc.

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Jaguar Cars, Inc.
Kobe Steel, Inc.
Mazda Motor of America, Inc.
Mesa Petroleum
Mobil Corporation
National Association of Wholesaler Distributors
Nissan Motor Corporation in U.S.A.
Norfolk Southern
NYNEX
John M. Olin Foundation
Pacific Telesis
Philip Morris, U.S.A.
Rockwell International
RF&P Railroad
Rolex, U.S.A.
Santa Fe Southern Pacific
Sarah Scaife Foundation, Inc.
Sears, Roebuck and Co.
Signet Bank
Sony Corporation
Southwestern Bell
Sovran Financial Corporation
Sun Oil Company
Thomas Publishing Company
Tropicana Energy Co.
Toyota Motor Sales, U.S.A., Inc.
TRW Corporation
Unilever United States Corporation
Union Carbide
Universal Leaf Tobacco
U.S. West
Variety Wholesalers, Inc.
Xerox Corporation

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. Telephone interview with Gene Kimmelman, July, 1991.

2. Interview with Jeffrey Chester, July 30, 1991.

3. "Judge Lifts Phone Service Restriction," by Cindy Skrzycki. *Washington Post*, July 26, 1991, p. A1.

4. Telephone interview with Kimmelman.

5. *Citizens for a Sound Economy 1990 Annual Report*.

6. Telephone interview with Kimmelman.

7. Interview with Chester.

8. *CSE Annual Report*.

9. Ibid.

10. Ibid.

11. Ibid.

12. Interview with Chester.

13. *CSE Annual Report*.

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COALITION FOR AMERICAN ENERGY SECURITY

"Trusting the oil companies to take care of the caribou is like trusting the railroads to take care of the buffalo a century ago."

-- Susan Alexander, then Alaskan representative for The Wilderness Society[1]

In the northeast corner of Alaska sits an area the size of Maine which, in 1980, was designated as a wildlife sanctuary. Known as the Arctic National Wildlife Refuge (ANWR), this area comprises 19 million acres of arctic beauty. It also may hold a "mother lode" of oil.[2]

As resources in the nearby Prudhoe Bay oil field run out, local interests are looking to open a 1.5 million acre area of the ANWR -- the coastal plain -- for oil exploration. Parties interested in this possibility include the government of the state of Alaska, which earns 85% of its unrestricted revenues from oil, major oil and gas companies, and the Inupiat Eskimos, who own the Arctic Slope Regional Corporation and earn their livelihood from the quickly draining oil supply in Prudhoe Bay. The Bush Administration is also interested in the idea as part of its plan to increase national energy sources. All these parties have a growing public concern about U.S. dependence on foreign oil working in their favor. They look to convince Congress and the rest of the country that oil from the ANWR coastal plain can help alleviate the problem.

However, these parties face a powerful environmentalist opposition. Besides a general desire to keep the ANWR beautiful, opponents of the pending legislation are concerned about the effects drilling would have on the routine of the Porcupine Caribou who usually give birth to their young in the coastal plain region. The survival and continued migratory patterns of these animals are essential to the lifestyle of the Native Alaskan Gwich'in people. This group's "relationship with the Porcupine Caribou Herd. . .is knitted into their economic and spiritual way of life, as the buffalo was to the Indians of the Northern Plains."[3]

Opponents point to the 1989 Exxon Valdez oil spill, which dumped almost 11 million gallons of oil into Prince William Sound, as evidence of why more oil drilling might be a bad idea. In fact the spill caused a Senate proposal to open the ANWR to be tabled for two years. Recently, however, bills have been re-introduced in both the House and the Senate.

In order to lobby for the passage of any one of those bills, and to defeat the powerful environmentalist lobby, interested parties in the oil and gas industry have created The Coalition for American Energy Security (CAES). Members of the Coalition include the Inupiat-owned Arctic Slope Regional Corporation, American Petroleum Institute, BP, Chevron, National Association of Manufacturers, Standard Oil, the U.S. Chamber of Commerce, and other groups, all of which have a vested interest in producing Alaskan oil.[4] CAES operates out of the same law offices as does The National Wetlands Coalition, another front group of oil and gas interests looking to amend wetland preservation laws for their own interests.

Mike Matz, chairman of the Alaska Coalition, a coalition of environmentalists opposed to opening the ANWR, says the oil industry has created CAES in order to look like an outside unbiased group, in the hopes that people will not know where the money comes from.

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They attempt to "duplicate grass-roots activities," Matz says, when in reality it is the rich oil companies who are paying for the slick newspaper and T.V. ads the group produces.[5]

The Coalition for American Energy Security, as its name implies, bases its campaign around the idea that ANWR oil will help decrease American foreign oil dependence. As executive coordinator Isabelle Tapia phrases it, CAES is "a broad based national coalition representing businesses, labor unions, trade associations and other groups who are deeply concerned about our nation's declining domestic crude oil production and our growing dependence on insecure sources of foreign crude oil."[6]

Much of the group's literature is geared towards presenting this anti-foreign oil point of view. "Each barrel of oil produced in Alaska reduces the need to import a foreign barrel, and cuts our enormous trade deficit," they say. "In 1985 alone, oil from the North Slope reduced our trade bill by over $17.5 billion." Recently, CAES has determined the amount of oil each state in the country uses and has distributed estimates of how many jobs would be created in each state if the coastal plain is opened for drilling.

However, environmentalists disagree with the group's conclusions. In 1986, The Wilderness Society, a member of The Alaska Coalition, termed "'absurd' the notion that the coastal plain would provide a key to the nation's energy security." Interior's resource estimates for the coastal plain indicate "quantities of crude oil that would meet only about 30 days of the nation's oil demand."[7] By 1991, it is possible that the coastal plain could yield as much as 200 days of oil for American use, but as John Keeble, reporting for the *Village Voice* put it, "It's not worth it, not when we refuse to account for our profligacy, or for the freedoms we give away in exchange for access to all the oil in the world."

Keeble also points out that the Exxon Valdez spill was only one dramatic example of such problems. In 1990, there were 270 oil spills of varying sizes, reported. Furthermore, Keeble raises the issue of the 14-year-old Alaska pipeline. Though proponents of ANWR drilling use its existence as justification for more drilling, the pipeline is corroded and leaky. "As of 1989, there were 586 instances of what the industry calls 'anomalies' in the line."[8]

All of this, coupled with the danger the Porcupine Caribou and Gwich'in Natives would face, makes the Coalition for American Energy Security's agenda seem a little more dubious. As Senator Timothy Wirth (D-CO) points out, it is really only the interests of a select few who benefit from oil production which are at stake here. According to a *National Journal* article, "Wirth charged that the reason ANWR drilling has become a leading energy issue has little to do with the funds that will flow into the U.S. Treasury. 'We're looking at this because a vast amount of money is going to be made by a small number of people in the oil industry,' Wirth said. He noted that based on government estimates, the oil companies stand to gain $94 billion from ANWR oil, minus their expenses."[9]

This definitely explains why the Coalition for American Energy Security exists. But as Mike Matz asks, "Why don't [they] just leave this one very spectacular place alone?"[10]

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Coalition for American Energy Security[11]
Membership as of April 3, 1987

Alaska Oil & Gas Association
American Association of Petroleum Landmen
American Petroleum Institute
Americans for a Rational Energy Policy
Arctic Slope Regional Corporation
Association of Oil Pipelines
BP North America
Chevron U.S.A. Inc.
Crowley Maritime Corporation
Dresser Industries, Inc.
Highway Users Federation
Independent Petroleum Association of America
International Association of Drilling Contractors
International Association of Geophysical Contractors
Joint Maritime Congress
Marriott Corporation
NAACP -- Anchorage Branch
National Association of Home Builders
National Association of Manufacturers
National Marine Engineers Beneficial Association
National Coal Association
National Ocean Industries Association
National Tour Association, Inc.
Petroleum Equipment Suppliers Association
Rocky Mountain Oil and Gas Association
The Standard Oil Company
The National Grange
U.S. Chamber of Commerce
Western Oil and Gas Association

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Notes

1. Susan Alexander, quoted in "Report urging oil lease on ANWR plain draws environmentalists' ire." *Inside Energy*, December 1, 1986.

2. "Arctic Showdown," by Margaret Kirz. *National Journal*, June 8, 1991.

3. "Forces of Habit," by John Keeble. *Village Voice*, July 23, 1991.

4. From a 1987 Membership list provided by The Coalition.

5. Telephone interview with Mike Matz, July 23, 1991.

6. Isabelle Tapia, in a letter to Representative Ben "Nighthorse" Campbell (D-Colorado), April 29, 1987.

7. "Report urging oil lease on ANWR plain draws environmentalists' ire." *Inside Energy*.

8. "Forces of Habit," by Keeble, *Village Voice*.

9. "Arctic Showdown," by Kirz, *National Journal*.

10. Ibid.

11. From a 1987 Membership list provided by The Coalition.

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COALITION FOR VEHICLE CHOICE

"The industry has traditionally used fronts... to try and create the facade that somehow there are these consumer groups out there that favor the industry's position... In fact, if you look behind the facade, it's nothing more than the industry pulling the strings."

-- Clarence Ditlow, executive director, Center for Auto Safety[1]

As a global warming trend intensifies, energy conservation has become a serious priority in the 1990's. Nevada Senator Richard Bryan (D-Nevada) has come up with a way to begin to address all of these concerns in one swift motion.

During the 101st Congress, Bryan proposed a bill that would raise the Corporate Average Fuel Economy (CAFE) standards by 20 percent by 1995 and 40 percent by 2001. The automobile industry opposed the Bryan bill from the start and led a successful campaign against it in 1990, which culminated in the bill's defeat. However, with fears concerning U.S. dependence on foreign oil rising since the Persian Gulf War, the bill has been reintroduced in 1991. And the auto industry has gathered its forces together again.

In the 1990 campaign, industry defeated the bill by claiming that it could do little to combat air pollution or save gas, and that it infringed upon Americans' right to drive large cars. In 1991, the industry chose a different path. Hidden behind the "Coalition for Vehicle Choice" (CVC), American auto makers and suppliers have claimed that increasing CAFE standards would compromise safety.

The Coalition was founded by Motor Vehicle Manufacturers of America (MVMA) of the United States, the National Automobile Dealers Association, and the Association of International Automobile Manufactures (AIAM), with initial funding coming from MVMA and AIAM.[2] The Coalition's spokesperson, Ron Defore, who is also vice-president of the public relations firm of E. Bruce Harrison Co., has said that CVC has "never tried to hide" the sources of its support. However, the "Big Three" automakers, who provided the primary funding, are only listed as members of the Coalition through the MVMA.[3] Furthermore, CVC ads claim that the group is supported by "over 200 automotive, and other business, consumer, farm, and safety organizations." In actuality, its membership includes exactly one "consumer organization" -- the pro-industry, corporate-funded Consumer Alert, as well as two safety organizations which are also auto industry fronts (The American Coalition for Traffic Safety and the Detroit based, Traffic Safety Now -- see below), and less than 100 individual consumers.

CVC is headed by former National Highway and Traffic Safety Administration (NHTSA) administrator Diane Steed who in the past has come to bat for the auto industry, speaking against strict safety regulations and tests. In her six years as administrator, she "compiled a dismal record trying to revoke existing safety standards and failing to act on others."[4] Since leaving NHTSA, she has made about $150,000 a year as a consultant testifying in product liability cases, and now earns an additional $144,000 per year as CVC head.[5]

In 1989, Steed called the NHTSA's 35 m.p.h. crash test "not an exact science" as she attempted to convince the public that Peugeot's model 505s was not unsafe simply because it had fared poorly in the test.[6] Now Steed's coalition is using similar crash tests in TV and

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print advertisements to show that small cars are less safe than large ones.

Another former NHTSA administrator, Joan Claybrook, finds Steed a little hypocritical. Claybrook, along with Clarence Ditlow and the Center for Auto Safety have called Steed a liar, charging that,

> Throughout the 1980's, Diane Steed personally led the fight against air bags, pickup and minivan safety, rollover and side-impact protection. Now, with a straight face, she is trying to make us believe that improving fuel efficiency will put safety at risk. . .She is lying. Every one of us who has spent a lifetime working to make cars safer knows that cars can be designed to be both safer and more fuel-efficient at the same time.[7]

Recently, the Center for Auto Safety put out a report titled "The Safe Road to Fuel Economy." In the report, The Center finds that cars can attain a CAFE level of 40-45 miles per gallon, while simultaneously reducing the vehicle fatality rate to 1.6 fatalities per 100 million vehicle miles travelled (VMT). (In 1974, cars got an average of 14 mpg and a rate of 3.5 fatalities per 100 million VMT.)

The Center also looked at six car models which were used as replacements for older models after the 1974 CAFE standards were imposed. The study included the Ford Escort, which was substituted for the Ford Pinto, the Volkswagen Rabbit, which replaced the VW Beetle, and the upgraded Honda Civic. In all cases, the gas mileage improved by five to twenty percent, while the fatality rate went down thirty to fifty percent.

In addition, the Center study pointed out that of the 13.8 MPG gain in CAFE achieved between 1974 and 1991, only 1.4 percent resulted from an actual down-sizing of automobiles. The large majority came from technological improvements.[8]

Thus the Coalitions ads, which state that increased CAFE legislation "will leave [automakers] little choice but to build smaller, lighter cars -- at the expense of safety," are based on false premises and misinformation. The crash tests showing a small car being crushed by a larger one are impressive, but as Claybrook notes, "It is essential to point out that the occupants of the small car in that crash would have survived, thanks to designed-in safety precautions," and according to Public Citizen "the results would have been dramatically more safe had the cars been equipped with air bags." The final line of every CVC ad -- "Fuel economy is important, but safety is vital"-- is moving, but it is also irrelevant. According to the Center for Auto Safety:

"Based on where we are today, only a virtually impossible production mix of vehicles, combined with an irrational disregard for safety considerations which is not in evidence, could reverse and adversely effect the gains in safety of the past twenty years.

For a given population of cars there is no relationship between CAFE and current levels of safety."[9]

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OTHER AUTO FRONT GROUPS

The Coalition for Vehicle Choice does not represent the first effort by Detroit to create grass-roots safety groups for its own ends. In fact, according to the *Detroit News*, "automakers say that they are proud to acknowledge support from the network of organizations, which have names that don't indicate their industry ties."[10]

In 1984, the industry created Traffic Safety, Now (TSN) to lobby for mandatory seat belt laws in all states. The group is headquartered within MVMA offices in Detroit, and has a board comprised entirely of auto executives from Ford, Chrysler, GM, Honda of America, and MVMA. Since its inception, it has spent close to $100 million to set up pro-seat belt law coalitions in almost every state.

In 1986, a former employee of the New Hampshire Alliance for Safety Belts, Kathy Pappalardo, charged before the House Transportation Committee that the auto industry (TSN) had set up groups like her former employer in an effort to avoid a federal law requiring the installation of air bags in cars.[11] Clarence Ditlow and Rosemary Dunlap of Motor Voters agree that TSN is indeed an industry attempt to "kill airbags."[12] TSN, not surprisingly, is also opposed to the Bryan bill and is a member of the Coalition for Vehicle Choice.

The American Coalition for Traffic Safety (ACTS), headed by Phil Haseltine, also opposes raising the CAFE standards. The group receives money directly from Traffic Safety, Now, and has also hired Diane Steed as a consultant in the past.[13] ACTS claims it promotes "the benefits of safety-belt-use and the success of safety-belt-use laws," and devotes "substantial resources to air-bag education,"[14] However, the Institute for Injury Reductions (IIR), an insurance industry group, charges that the group spends much of its time and money attacking the media and legitimate grass-roots auto safety organizations in an effort to defend the industry's "safety mistakes."[15]

The auto industry has also been criticized for creating local grass-roots, anti-Bryan bill groups in Nevada and West Virginia, the home states of Senator Bryan and Senator John Rockefeller, cosponsor of Bryan's bill. GM, Chrysler and Ford hired Washington consulting firm FMR to create "Nevadans for Fair Fuel Economy" and "West Virginians for Fair Fuel Economy," in 1990. When the firm hired residents of the two states to lead these grass-roots campaigns, it neglected to tell them who was funding the effort. When Senator Bryan found this out, he wrote to the chief executives of the "Big Three":

> Your corporate efforts, executed through [FMR] were not aboveboard. Nowhere in this mailing did you identify that this mailing was paid for by the automakers. Nowhere did you say that you hired political operatives to influence Nevada public opinion. Nowhere did you say that this purported Nevada-based organization was, in truth, organized by and for the automobile manufacturers. Nowhere did you honestly disclose your firm's participation. In effect, you came into my community under a false flag.[16]

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Coalition for Vehicle Choice[17]

Membership as of February 26, 1991

American Automotive Leasing Association
American Car Rental Association
American Coalition for Traffic Safety
American Farm Bureau Federation
American Federation of Small Business
American International Automobile Dealers Association
American Iron and Steel Institute
American Motorcyclist Association
American Recovery Association
American Recreation Coalition
Associated Builders and Contractors
Association of International Automobile Manufacturers
Competitive Enterprise Institute
Consumer Alert
Highway Users Federation for Safety and Mobility
Independent Electrical Contractors
International Drivers' and Enthusiasts' Automobile League
International Professional Rodeo Association
International Snowmobile Industry Association
Livestock Marketing Association
Marine Retailers Association of America
Motor Vehicle Manufacturers Association of America
Motorcycle Industry Council
Mustang Club of America, Inc.
National Association of Chiefs of Police
National Association of Manufacturers
National Auto Auction Association
National Automobile Dealers Association
National Campground Owners Association
National Grange
National Motorists Association
National Roofing Contractors Association
Norfolk Southern Railroad
Recreation Vehicle Dealers Association of North America
Recreation Vehicle Industry Association
Traffic Safety Now
United States Chamber of Commerce

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. Quoted in "Automakers use 'fronts' to lobby against fuel rules," by Gregory Gordon. *Detroit News*, April 26, 1991.

2. From CVC's brochure.

3. "Automakers use 'fronts' to lobby against fuel rules," by Gregory Gordon.
Detroit News, April 26, 1991.

4. Press release from Public Citizen and Center for Auto Safety.

5. Ibid.

6. "Peugeot enlists Steed to challenge NHTSA crash test," by Diana T. Kurylko. *Automotive News*, August 21, 1989.

7. Joan Claybrook quoted in Public Citizen press release, July 2, 1991.

8. MCR Technology, Inc. and Center for Auto Safety, "The Safe Road to Fuel Economy," April, 1991.

9. MCR Technology, Inc. and Center for Auto Safety, "The Safe Road to Fuel Economy," April, 1991, p. ii.

10. "Automakers use 'fronts' to lobby against fuel rules," by Gordon, *Detroit News*.

11. John Hanna, Associated Press, March 20, 1986.

12. Phone interview with Rosemary Dunlap, and Ditlow opinion cited in "Automakers use 'fronts' to lobby against fuel rules," by Gordon, *Detroit News*.

13. "Automakers use 'fronts' to lobby against fuel rules," by Gordon, *Detroit News*.

14. "ACTS' FACTS" (literature available from ACTS).

15. "IIR, answering auto industry attacks, urges safe restraints in cars," from PRNewswire in Washington.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

16. Jeffrey Denney, "King of the Road," *Common Cause Magazine*, May/June, 1991, p. 22.

17. "CVC Member Organizations" list, provided by CVC.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

COLORADO RIVER RESOURCES COALITION

"Blunting 'Environmental' Organization Activities"

-- listed by the Colorado River Resources Coalition as one of its main activities of 1990[1]

The use of "peaking power" by hydropower companies has long been a controversial issue in the Colorado River region. The term refers to the massive flood of power demanded in the mornings when ranchers and farmers turn on their irrigation systems. For the hydropower companies -- who generate this electricity through the use of large dams -- the use of peaking power is the easiest and most profitable method. But according to Gail Peters, the Arizona state director of American Rivers, the system is destroying the Grand Canyon, with some of the worst damage being caused by the Glen Canyon Dam in Arizona.

"All the ranchers in Imperial Valley turn on their irrigation in the morning," she says, "so there's this big need for electricity. That means that they crank up the [Glen Canyon] dam to produce a bunch of electricity to go to water the crops. And when they crank up the dam to let all this water through, you can get a thirteen foot wall of water literally moving down the Grand Canyon and just washing out the beaches and washing out Indian ruins and trees. All sorts of horrible things. And when the power need is gone they just turn the water off, so the water drops anywhere from five to thirteen feet. When that water drops it strands trout and the trout die, it sucks the sand right out of the beaches and the beaches are washed away. You can actually watch it happening."[2]

Hydropower companies understand that mounting public concern over the use of peaking power might greatly hinder their profits. At a conference on the subject held in 1989, environmentalists outnumbered industry representatives by a margin of six to one, prompting two hydropower trade associations -- the Colorado River Energy Distributors Association (CREDA) and the Colorado River Water Users Association (CRWUA) -- to go to the public relations firm of Evans Communications in an effort to change the overwhelming public opinion against the use of massive dams in the Grand Canyon. Evans created the Colorado River Resources Coalition (CRRC), which has mostly concentrated its efforts on preserving the use of peaking power in the controversial Glen Canyon Dam.

According to its 1990 Development Report, the Colorado River Resources Coalition is "A Grass-Roots Organization." It was created when CREDA and CRWUA "recognized that the people and organizations that represent the balanced use of the Colorado River were not successfully combating the mass appeal of the narrow-focus, single-issue 'environmentalists' who want to limit regional economic growth, thus hindering stability for which full utilization of the river is key."[3] Since its creation, the coalition has received funding from San Diego Gas & Electric, Bechtel Engineering, the Coachella Valley Water District, the Metropolitan Water District of Southern California, the Central Utah Water Conservancy District, and the Intermountain Consumer Power Association. CRRC's board of directors is also representative of major power companies, including top executives from the Plains Electric G&T Cooperative, the Maricopa Water District, the Metropolitan Water District of Southern

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California, the Arizona Agri-Business Council, and the Tri-State G&T Association. And while it calls itself a grass-roots organization, CRRC admits that "individual contributions. . .will be relatively small." CRRC's 1991 budget is about $500,000.[4]

"In my opinion," says Peters, "grass-roots means from the citizens up. And this is starting with the power people. This 1990 Development Report didn't go out to the citizens, it went out to the power companies. I don't think they've even made any kind of an effort to recruit citizens to be a part of this group. . .Everything they have comes from power and energy [companies]."[5]

The Coalition has been shown to be somewhat influential since its inception, although its tactics have been questionable. For example, in August 1990, ten environmental groups including the Sierra Club, American Rivers, and the Grand Canyon Trust organized a trip to the Grand Canyon for about twenty journalists and legislators from around the country. The purpose of the trip was to educate the influential group about some of the issues surrounding the Colorado River, such as the use of peaking power in the Canyon.

However, CRRC claims, "They wanted to convince those reporters to write stories condemning the present use of the river to generate peaking power at the Glen Canyon Dam. The CRRC was able to obtain a list of persons who went on the trip and sent counter-balancing information to each of them."[6] When the reporters received this new information, CRRC says, they were able to write better, more balanced news stories.

Peters finds the accusations of a one-sided "environmentalist conference" completely ludicrous. "This is total bull," she recently commented. "We invited [CRRC] on the trip -- we invited CREDA, we invited the Bureau of Reclamation -- we took all those guys on the trip with us. We went out of our way to make sure we had both sides of the story fully represented on every round. So we took them along, and now they're saying, 'We were able to obtain a list.' We gave it to them!

"They imply that we made this secret trip or something. Everybody involved in this trip here in Phoenix -- when we all got a hold of this development report we were all on the phone just laughing. These guys were on the top of our list of invitees."[7]

One and a half years after the first of seven Glen Canyon Dam Environmental Impact Statement scoping hearings to measure the tolls of the dam on the environment, Peters finds that "the damages being done to the canyon are greater than we thought."[8]

Jim Perry of American Rivers in Washington, D.C. said, "Interior Secretary [Manuel] Lujan established interim flows for the Glen Canyon Dam, which will cut out a great amount of the damage being caused by the dam for the power supply. The only people that are withholding from this are the power companies out there."[9] Perry also believes CRRC is "a front used by industry."[10]

Recently, CRRC has begun using new tactics to ensure the continued use of peaking power in the Grand Canyon. According to Peters, "They're telling people that their electric bills are going to go soaring sky high and they're saying the town of Paige [Arizona] is going to close down because they are not going to be able to afford electricity in Paige. Right now these people are paying one-eighth the national average for their electricity. And now [CRRC] is sending out these scare letters. It's unbelievable."[11]

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Colorado River Resources Coalition[12]

Contributors as of 1990

Bechtel Engineering
Central Utah Water Conservancy District
Coachella Valley Water District
Colorado River Energy Distributors Association
Colorado River Water Users Association
Intermountain Consumer Power Association
Metropolitan Water District of Southern California
San Diego Gas & Electric

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. Colorado River Resources Coalition 1990 Development Report.
2. Telephone interview with Gail Peters, July 31, 1991.
3. CRRC Development Report.
4. Ibid.
5. Interview with Peters.
6. CRRC Development Report.
7. Interview with Peters.
8. Ibid.
9. Telephone interview with Jim Perry, July 31, 1991.
10. Telephone interview with Jim Perry, June 27, 1991.
11. Interview with Peters.
12. CRRC Development Report.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

CONSUMER ALERT

"To cite Barbara Keating-Edh as a representative of a 'conservative consumer group' is a blatant distortion of reality."

-- Mark Robinowitz in a letter to the *Washington Post*, April 30, 1989

In April, 1989, White House Chief of Staff John Sununu addressed a conference of the National Consumer Coalition in which he accepted a set of economic policy recommendations which the Coalition felt would "benefit consumers."[1] These recommendations called for the abolishment of federal fuel economy standards, a review of antitrust laws, and the elimination of farm subsidies and U.S. trade barriers. Sununu's meeting with the group was a break from the Bush Administration's previous track record, as the White House had denied similar requests from seven other public interest groups including Public Citizen and US PIRG.[2] What, then, could have inspired Mr. Sununu to meet with these "consumer representatives" after having ignored the requests of seven other groups?

A good guess would be that the group that set up the "Consumer Coalition" was actually Consumer Alert, formerly chaired by, yes, John Sununu.

Consumer Alert considers itself to be a neutral educational and research organization which presents information in a "fair and fully expositive manner, so that an individual or the public can form an independent opinion on these consumer issues."[3] Tax-exempt under section 501(c)(3) of the Internal Revenue Code, Consumer Alert claims not to be a lobbying organization. Instead, its stated purpose is to promote "educational, scientific, and charitable goals."[4] Thus, at first glance Consumer Alert would seem like another ordinary consumer group.

What CA does not mention in its literature, however, is that a major source of its funding comes from large corporations including Philip-Morris, American Cyanamid, Exxon, Eli-Lilly, Elanco Products, Precision Valve, Pfizer Pharmaceuticals, Estee Lauder Co., Anheuser-Busch, the Allstate Foundation, Glass Packaging Institute, Coors, and Chevron USA. In fact, from 1985 to 1990 Consumer Alert received at least $145,000 from these corporations, according to its tax returns. Philip-Morris donated $27,000 from 1986 to 1990, and Precision Valve, the company that manufactures a controversial aerosol spray mechanism, gave $35,000 from 1986 to 1988.[5]

A 1990 Consumers Union and California Public Interest Research Group investigation of Consumer Alert and its President, Barbara Keating-Edh, concluded that Consumer Alert is not only an active advocacy organization, but that it puts "a very biased, conservative slant on much, if not most, of the information it presents."[6] The study went on to accuse CA of presenting views that tend to "save industry money at the expense of consumer interests, such as safety, product testing, educational benefits, and health."[7]

An examination of some positions taken by Consumer Alert in past years yields no surprises. It has fought mandatory air bags in cars, arguing that the cost of such legislation would be too expensive for consumers. Similarly, it fought a Congressional bill requiring safety seats for babies on airplanes, again claiming that the cost would be too high. This attitude that government enforcement of product safety is too expensive typifies many of the

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positions CA has taken in the past. On environmental and energy issues, the group has rallied against acid rain regulations, concerns over the use of pesticides, cogeneration of electricity, and global warming theory. And in 1981, Consumer Alert filed a million-dollar lawsuit against individuals and organizations protesting at the Diablo Canyon nuclear reactor in California.

While suing demonstrators at nuclear power sites may seem like on odd way for a "consumer" group to spend its resources, the organization's leaders still maintain that Consumer Alert is an unbiased research group and do not mention their ties to industry in CA literature. Its advisory council includes Dr. Elizabeth Whelan, who as Executive Director of the American Council on Science and Health has defended the food industry's use of chemicals such as the carcinogen Alar; Douglas Lee, who is the Chairman of Americans for Nuclear Energy; and several lawyers from very right-wing "think tanks" and "legal foundations" including the Heritage Foundation and the National Legal Center for the Public Interest. Keating-Edh herself is on the board of Beer Drinkers of America, a front group for the alcohol industry.

Consumer Alert and Keating-Edh consistently speak out for industry in the name of America's consumers. The fact that 50 percent of its funding has come from the corporations it helps has led many to call the organization a fraud. "Everything I've seen about Consumer Alert indicates that it's a front for industry," says Michael Jacobson, executive director of the Center for Science in the Public Interest. "It seems to be totally devoted to the interests of agricultural and chemical producers, not to consumers.

"It's an organization that industry has set up that can be invited to speak at industry conventions as if it is a consumer group. And so industry hears the kind of consumer views that they would like to hear: pro-industry views."[8]

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Consumer Alert[9]

Contributors from 1985-1990 -- partial list

Allstate Foundation
American Cyanamid
Anheuser-Busch
Chevron USA Inc.
Exxon Co. USA
Eli-Lilly
Elanco Products
Estee Lauder Co.
Glass Packaging Institute
Lilly Corp. Center
Philip Morris Co.
Pfizer Pharmaceuticals
Precision Valve

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000

Notes

1. "Consumer Comments," Consumer Alert newsletter. June 1989. p. 8.

2. Ibid., pp. 2-3.

3. Consumers Union/CalPIRG investigation of Consumer Alert, on file with the authors.

4. Ibid.

5. Ibid.

6. Ibid.

7. Ibid.

8. Telephone interview with Michael Jacobson, July, 1991.

9. Consumers Union/CalPIRG investigation of Consumer Alert, on file with the authors.

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Source: https://www.industrydocuments.ucsf.edu/docs/nlwl0000